

STATUS REPORT ON CIVIL WORKS ACTIVITIES IN THE SOUTHWESTERN DIVISION FISCAL YEAR 2004 TESTIMONY

**COLONEL MICHAEL L. SCHULTZ
ACTING DIVISION ENGINEER
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INTRODUCTION



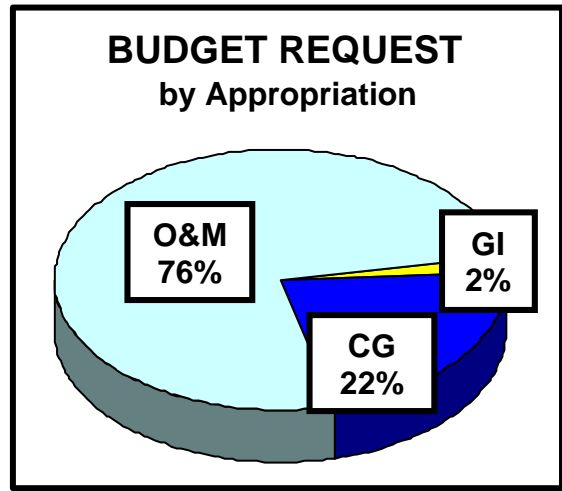
The Southwestern Division area embraces all or part of six states, an expanse that contains about 10 percent of the land area (376,300 square miles) and 10 percent of the total population (26.9 million) of the United States based on the calendar year 2000 census. The Division is headquartered in Dallas, Texas, and includes four engineer districts, with offices located in Fort Worth and Galveston, Texas; Little Rock, Arkansas; and Tulsa, Oklahoma.

The Division's Civil Works area is also defined by the following hydrologic basins: portions of the Rio Grande Basin in the United States and downstream of the confluence with the Pecos River, the Texas Gulf Region (river basins located mostly in Texas which drain into the Gulf of Mexico), and the majority of the Arkansas, White and Red River Basins. The terrain varies from the arid regions of northwestern Texas; to the plains of Kansas; to the forested areas of Arkansas; and to the tidal areas of southeast Texas.

Southwestern Division projects and associated activities are critically important to the continued economic well-being of the nation. For example, ongoing construction of the Houston-Galveston Navigation Channels project and continuing maintenance of the Houston Ship Channel provide both existing and future opportunities for economic growth at the Port of Houston, Texas. This second largest port in the United States contributes an estimated \$7.7 billion annually to the regional economy and provides more than 200,000 jobs. Also, the Southwestern Division continues to take those measures necessary to protect and ensure the safety of our waterways, harbors, flood control, hydropower and recreational projects and facilities.

FISCAL YEAR 2004 PROGRAM

The Fiscal Year 2004 Federal budget request for studies and projects in the Southwestern Division is about \$365.8 million. This amount is proposed to be proportioned as shown for the General Investigations (GI), Construction, General (CG), and Operation and Maintenance (O&M) appropriations. The requested amount for Fiscal Year 2004 is about 7 percent less than the \$391.8 million in Federal funds that have been, or will be, allocated to the Southwestern Division in Fiscal Year 2003.

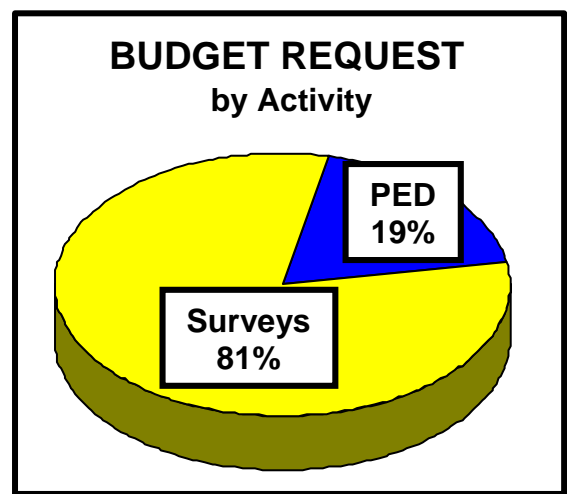


FISCAL YEAR 2002 PERFORMANCE

The aggressive scheduling of expenditures of funds in each of these three appropriations and subsequent execution of the schedule for studies and projects has been a command priority of the Corps and Southwestern Division. In the completed Fiscal Year 2002, the total Southwestern Division expenditures of \$447 million for the General Investigations, Construction, General, and Operation and Maintenance, General appropriations were 110 percent of all scheduled funds, which exceeded the combined appropriations goal.

GENERAL INVESTIGATIONS

The Fiscal Year 2004 budget request for the General Investigations Appropriation is about \$7.9 million. This amount is proposed to be proportioned between surveys and Preconstruction Engineering and Design (PED) activities as shown. These Federal funds, together with scheduled non-Federal sponsor cash contributions of about \$3.8 million, will provide for continued planning, engineering and design activities on high priority studies and projects in the Southwestern Division area. This total program of approximately \$11.7 million for Fiscal Year 2004 is about 25 percent lower than the \$15.5 million (including non-Federal



sponsors' cash contributions of \$4.1 million) scheduled to be allocated in Fiscal Year 2003.

SURVEY STUDIES

The Fiscal Year 2004 request of about \$6.4 million in Federal funds for 23 survey studies, together with non-Federal sponsor cash contributions of about \$3.6 million on nineteen studies, will result in a total program of approximately \$10 million. This amount is about 18 percent lower than the corresponding funding amount expected to be allocated in Fiscal Year 2003.

This program will provide for the study effort for survey investigations located on major river basins throughout the Southwestern Division area. One of these studies are located in Arkansas, one in Kansas, one in Missouri, three in Oklahoma, and the remaining seventeen studies are located in Texas, as shown on the following table. The requested funds including non-Federal contributions will provide: the completion of one reconnaissance study; the continuation of eighteen feasibility studies cost-shared with non-Federal sponsors; and the continuation of five feasibility studies at full Federal expense.

FISCAL YEAR 2004 SURVEY PROGRAM

<u>STUDY</u>	<u>FY 2004 FEDERAL REQUEST</u>	<u>FY 2004 NON-FEDERAL SPONSOR CASH CONTRIBUTION</u>
ARKANSAS		
Arkansas River Navigation Study	\$1,070,000	\$ 0
KANSAS and MISSOURI		
Walnut and Whitewater River Watersheds, Kansas	160,000	160,000
Springfield, Missouri	230,000	230,000
OKLAHOMA		
Miami and Vicinity	231,000	0
Oologah Lake Watershed Study	259,000	259,000
Southeast Oklahoma Water Resource Study	50,000	50,000

FISCAL YEAR 2004 SURVEY PROGRAM (Continued)

<u>STUDY</u>	<u>FY 2004 FEDERAL REQUEST</u>	<u>FY 2004 NON-FEDERAL SPONSOR CASH CONTRIBUTION</u>
TEXAS		
Buffalo Bayou and Tributaries (White Oak Bayou)	100,000	0
Freeport Harbor	250,000	250,000
Freeport Hurricane Protection Levee	200,000	200,000
GIWW Modifications	350,000	0
GIWW - Brazos River to Port O'Connor	361,000	0
GIWW – High Island Realignment	200,000	0
GIWW - Port O'Connor to Corpus Christi Bay	400,000	0
Guadalupe and San Antonio River Basins	150,000	150,000
Lower Colorado River Basin	600,000	600,000
Middle Brazos River Basin	50,000	50,000
Nueces River and Tributaries	100,000	100,000
Resacas at Brownsville	300,000	300,000
Sabine-Neches Waterway	300,000	300,000
Sabine Pass to Galveston Bay	450,000	450,000
Sulphur River Environmental Restoration	50,000	50,000
Tri-County Flood Study, San Antonio	100,000	100,000
Upper Trinity River Basin	400,000	400,000
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TOTAL STUDIES	\$6,361,000	\$ 3,649,000

INITIATION OF RECONNAISSANCE STUDIES

No new reconnaissance studies are proposed for initiation in the Fiscal Year 2004 request.

COMPLETION OF RECONNAISSANCE STUDIES

This request includes \$231,000 to complete the reconnaissance study for the Miami and Vicinity, Oklahoma in Fiscal Year 2004.

COST SHARED FEASIBILITY STUDIES

Eighteen feasibility studies are being pursued on a 50-50 cost sharing basis with non-Federal sponsors in accordance with Public Law 99-662, the Water Resources Development Act of 1986. The Fiscal Year 2004 request for these cost shared feasibility studies is about \$3.7 million. Combined with non-Federal cash contributions of about \$3.6 million, the total program for these studies is approximately \$7.3 million.

Federal and non-Federal sponsor cash contributions and scheduled in-kind credit would continue these feasibility studies: Walnut and Whitewater River Watersheds in Kansas; Springfield in Missouri; Oologah Watershed and Southeast Oklahoma Water Resources Study in Oklahoma; and Buffalo Bayou and Tributaries (White Oak Bayou), Freeport Harbor, Freeport Hurricane Protection Levee, Guadalupe and San Antonio River Basins, Lower Colorado River Basin; Middle Brazos River Basin, Nueces River and Tributaries, Resacas at Brownsville, Sabine-Neches Waterway, Sabine Pass to Galveston Bay, Sulphur River Environmental Restoration, Tri-County Flood Study, San Antonio, and Upper Trinity River Basin, all in Texas.

FULL FEDERAL FEASIBILITY STUDIES

The Fiscal Year 2004 request for five full Federal funded feasibility studies is about \$2.4 million. These funds are for the continuation of feasibility studies on the Arkansas River Navigation Study in Arkansas; and GIWW Modification, GIWW - Brazos River to Port O'Connor, GIWW – High Island Realignments and GIWW - Port O'Connor to Corpus Christi Bay studies in Texas.

COMPLETION OF FEASIBILITY STUDIES

No cost-shared nor full Federal feasibility studies are scheduled for completion in FY 2004.

PRECONSTRUCTION ENGINEERING AND DESIGN (PED)

The request for Fiscal Year 2004 of approximately \$1.5 million in Federal funds for four projects, together with non-Federal cash contributions of about \$117,000 on one project, will provide about \$1.6 million for Preconstruction Engineering and Design activities. This amount is about 51 percent lower than the corresponding funding amount expected to be allocated in Fiscal Year 2003.

Funds are requested for continuation of three projects and completion of one project. These engineering and design efforts will be cost shared with non-Federal sponsors in accordance with the provisions of Public Law 99-662, the Water Resources Development Act of 1986. All of the projects are located in Texas. The projects and amounts requested for Fiscal Year 2004 are as follows.

FISCAL YEAR 2004 PRECONSTRUCTION ENGINEERING AND DESIGN PROGRAM

<u>STUDY</u>	<u>FY 2004 FEDERAL REQUEST</u>	<u>FY 2004 NON-FEDERAL SPONSOR CASH CONTRIBUTION</u>
TEXAS		
GIWW – High Island to Brazos River	315,000	0
GIWW - Matagorda Bay	100,000	0
Greens Bayou, Houston	774,000	0
Riverside Oxbow, Upper Trinity River	350,000	117,000
TOTAL PED	\$1,539,000	\$117,000

INITIATION OF PED

The Fiscal Year 2004 request includes funding of \$350,000 for initiation of PED activities on the Riverside Oxbow, Upper Trinity River project.

CONTINUING PED PROJECTS

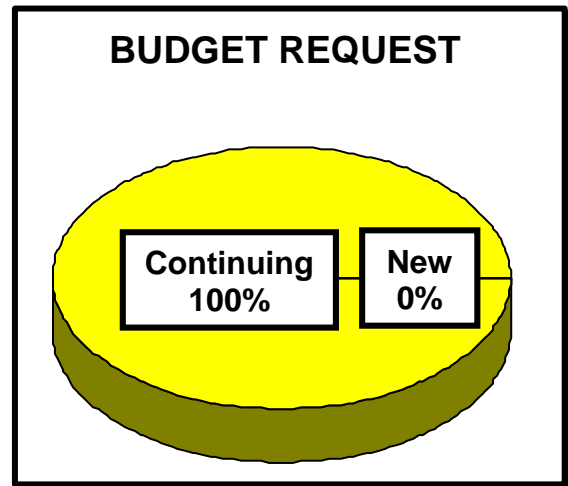
The Fiscal Year 2004 request includes about \$1.1 million for the continuation of PED activities on two projects in Texas: GIWW – High Island to Brazos River and Greens Bayou.

COMPLETION OF PED PROJECTS

The Fiscal Year 2004 request includes \$100,000 to complete Preconstruction Engineering and Design for the GIWW – Matagorda Bay project.

CONSTRUCTION, GENERAL

The Fiscal Year 2004 request for Construction, General, in the amount of \$80 million, provides for construction activities on 11 projects. These requested funds, together with scheduled cash contributions from the non-Federal sponsors of about \$7.8 million, yield a total construction program of about \$87.8 million. The non-Federal sponsors are scheduled to spend an additional \$15.8 million on these projects to obtain the necessary project lands, easements, rights-of way, relocations, and disposal areas (LERRD). Combined with their scheduled cash contributions, non-Federal sponsors would provide about \$23.6 million in Fiscal Year 2004 toward project construction.



The Federal funds and the non-Federal cash contributions will provide for a construction program that continues construction on 11 projects including completion of two of these projects. The proposed total program of \$87.8 million for the Southwestern Division in Fiscal Year 2004 is about 39 percent smaller than the corresponding funding amount expected to be allocated in Fiscal Year 2003.

NEW CONSTRUCTION STARTS

The Fiscal Year 2004 request includes no new construction starts.

CONTINUING CONSTRUCTION

The Fiscal Year 2004 budget request includes \$72.9 million to continue construction on nine projects and \$7.1 million to complete construction on two projects for a grand total of \$80 million. Non-Federal cash contributions of \$7.8 million on these projects result in a total program of about \$87.8 million. The projects for which Fiscal Year 2004 funds are requested to continue or complete construction are shown below.

FISCAL YEAR 2004 CONSTRUCTION PROGRAM

<u>PROJECT</u>	<u>FY 2004 FEDERAL FUNDS REQUESTS</u>	<u>FY 2004 NON-FEDERAL CASH CONTRIBUTIONS</u>	<u>TOTAL FY 2004 NON-FEDERAL COSTS</u> <u>1/</u>
ARKANSAS			
Montgomery Point Lock and Dam	20,000,000	\$ 0	\$ 0
ARKANSAS AND OKLAHOMA			
McClellan-Kerr Arkansas River Navigation System, Locks and Dam	3,300,000	0	0
KANSAS			
Arkansas City	2,600,000	740,000	990,000
MISSOURI AND ARKANSAS			
Table Rock Lake, (Dam Safety)	5,000,000	0	0
OKLAHOMA			
Tenkiller Ferry Lake, (Dam Safety)	4,400,000	0	0

FISCAL YEAR 2004 CONSTRUCTION PROGRAM (Continued)

<u>PROJECT</u>	<u>FY 2004 FEDERAL FUNDS REQUESTS</u>	<u>FY 2004 NON-FEDERAL CASH CONTRIBUTIONS</u>	<u>TOTAL FY 2004 NON-FEDERAL COSTS</u> <u>/</u>
TEXAS			
Brays Bayou, Houston	4,700,000	414,000	10,414,000
Channel to Victoria	2,966,000	352,000	352,000
Houston - Galveston Navigation Channels	18,726,000	3,236,000	4,664,000
Johnson Creek, Arlington	2,200,000	740,000	740,000
Neches River Saltwater Barrier	4,108,000	1,820,000	1,910,000
Sims Bayou, Houston	12,000,000	500,000	4,500,000
GRAND TOTAL CONSTRUCTION	\$80,000,000	\$7,802,000	\$23,570,000

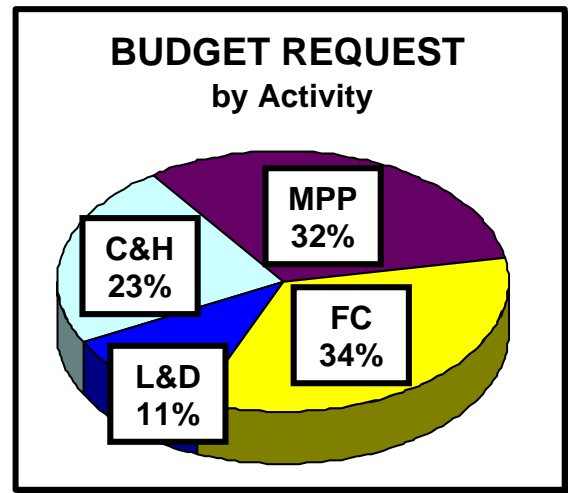
/ Includes Lands, Easements, Rights-of-Way, Relocations and Disposal Areas and Cash Contributions, as applicable.

PROJECT COMPLETIONS

Included in the requested funds for Fiscal Year 2004 is approximately \$7.1 million to complete construction on the Channel to Victoria and Neches River Saltwater Barrier, Texas projects.

OPERATION AND MAINTENANCE

The Fiscal Year 2004 request for the Operation and Maintenance Appropriation for projects and activities in the Southwestern Division is approximately \$277.9 million. The requested funds will be divided among four major funding categories shown at right - Channels and Harbors (C&H) along the Texas Gulf coast; Locks and Dams (L&D) along the McClellan-Kerr Arkansas River Navigation System; Flood Control (FC); and Multiple Purpose Power Projects (MPP).



The Southwestern Division has continued to implement numerous cost reduction initiatives to address expected sustained future reductions of operation and maintenance budget amounts. These initiatives include: using the latest technology and equipment to reduce the cost of underwater surveys for waterways, channels and harbors; reducing park services during non-peak visitation periods; leasing parks to local governments; reorganizing reservoir project manager's responsibilities to oversee multiple projects; sharing resources, including work crews, between projects; and installation of remote control equipment to manage multiple hydropower facilities from a single site.

CHANNELS AND HARBORS

The Fiscal Year 2004 request for dredging and maintaining 13 projects along the Texas Gulf Coast is about \$64.9 million. The requested funds will provide for the continued maintenance of channel and harbor projects, including Freeport Harbor, Gulf Intracoastal Waterway (GIWW), Houston Ship Channel, Galveston Harbor and Channel and Sabine-Neches Waterway.

Recommended Fiscal Year 2004 highlights include dredging various reaches of the Gulf Intracoastal Waterway, dredging the Houston Ship Channel, and dredging and removing abandoned mooring structures that are now hazards to navigation within the Corpus Christi Ship Channel, all located in Texas.

LOCKS AND DAMS

The request of \$29.5 million for Fiscal Year 2004 for Locks and Dams will provide for the operation of 13 locks and dams and the channel on the McClellan-Kerr Arkansas River Navigation system. Funds to provide for the operation of the remaining four locks are included in the request for each of four projects in the Multiple Purpose Power Projects category. These four locks are Dardanelle Lock and Dam, Arkansas;

Ozark-Jeta Taylor Lock and Dam, Arkansas; Robert S. Kerr Lock and Dam and Reservoir, Oklahoma; and Webbers Falls Lock and Dam, Oklahoma. The navigation system, which consists of 17 locks and dams, four multiple purpose power projects and a channel between these structures, extends from the Mississippi River 445 navigation miles to the head of navigation at Catoosa, Oklahoma, about 15 miles east of Tulsa.

A highlight in calendar year 2002 was the moving of just over 12.3 million tons of cargo on this system. Also, approximately 9,000 barges traversed the system in 2002 lessening the burden on congested highways and rail lines by the equivalent of 540,000 semi truckloads or 135,000 railcars of cargo. Recommended Fiscal Year 2004 highlights include continuing repair of the tainter gate weirs at Lock and Dam 14, rehabilitation of the tainter gates at Lock and Dam 5, and construction of facility security measures, all located on the McClellan-Kerr Arkansas River Navigation System in Arkansas.

FLOOD CONTROL

The request of \$93.5 million for Fiscal Year 2004 will provide for the continued operation and maintenance of 60 flood control reservoirs, two other projects (Estelline Springs and Arkansas-Red River Basins Chloride Control (Area VIII) Projects, both in Texas), studies associated with the Texas Water Allocation Assessment, and two other flood control activities (scheduling reservoir operations and inspection of completed works). The 60 reservoirs are located as follows: six in Arkansas; eight in Kansas; one in Missouri; 19 in Oklahoma; and 26 in Texas.

Recommended highlights for Fiscal Year 2004 include construction of facility security measures at Greers Ferry Lake, Arkansas and Keystone Lake, Oklahoma.

MULTIPLE PURPOSE POWER PROJECTS

The Fiscal Year 2004 funds requested for multiple purpose power projects in the Southwestern Division are about \$90 million. The requested funds will provide for the continued operation and maintenance of 18 projects. These projects are located as follows: six in Arkansas; one in Missouri; seven in Oklahoma; three in Texas; and one on the Texas-Oklahoma state line. These hydroelectric power projects have a total installed capacity of just over 1.7 gigawatts and, without creating air pollution, produced about 4.8 billion kilowatt-hours, and generated over \$100 million in revenue in Fiscal Year 2002. These 18 powerplants, containing 55 units, were available for production at 90 percent of the time in Fiscal Year 2002. The Corps goal is 90 percent or better.

Recommended Fiscal Year 2004 highlights include replacement of oil circuit breakers at Sam Rayburn Dam and Reservoir, Texas; rehabilitation of service switchgear at Bull Shoals Lake, Arkansas; rehabilitation of two bridge cranes and two gantry cranes at Webbers Falls Lock and Dam, Oklahoma; and replacement of voltage regulators at Fort Gibson Lake, Oklahoma.

PROTECTION OF NAVIGATION

The request for the Protection of Navigation category for Fiscal Year 2004 is \$50,000. These funds will be used for project condition surveys on those projects for which maintenance is not scheduled in Fiscal Year 2004.

FACILITY SECURITY

The budget request for Fiscal Year 2004 includes approximately \$19.6 million to accomplish engineering and design and construction of critical facility security measures at a number of Southwestern Division projects. These measures will ensure that our projects will continue to provide a safe and relaxing experience for the public.

RECREATION

Outdoor recreation continues to be an important part of the lifestyle of the Southwest. Nationwide, the Corps of Engineers is the largest Federal provider of water based recreation opportunities. Southwestern Division receives over 20 percent of the Corps' total visitation and, in Fiscal Year 2002, provided recreation opportunities to approximately 82 million visitors at 90 operating projects and 640 Corps managed recreation areas located in five states. This averages about 225,000 people visiting Southwestern Division projects every day of the year. Historically, Southwestern Division leads the Corps in collecting approximately 35 percent, approximately \$14 million, of the total recreation fees collected by the Corps nationwide.

Recreation continues to be a significant part of the economy in the Southwestern Division area. An estimated that \$1.3 billion is spent annually on recreation supplies and equipment in the Southwestern Division area for use on Corps projects. These purchases support 65,000 jobs that would not otherwise exist without these recreational opportunities.

FLOOD DAMAGES PREVENTED

In Fiscal Year 2002, the flood damages prevented by Southwestern Division projects were estimated at nearly \$3.8 billion. Flood damages prevented during the lifetime of each project have now accumulated to almost \$46.6 billion. Seven major projects in the Dallas - Fort Worth area account for the majority of these accumulated damages prevented, currently about \$33.4 billion. These projects are Benbrook Lake, the Fort Worth Floodway system, Grapevine Lake, Lewisville Dam, Ray Roberts Lake, the Dallas Floodway system and Joe Pool Lake. The total accumulated Federal investment for these projects, including Operation and Maintenance costs, is currently \$747 million. This gives a return of more than \$44 for every Federal dollar invested.

EMERGENCY MANAGEMENT

Calendar Year 2002 was an extremely busy year for Southwestern Division emergency operations. The year began with a massive ice storm in January 2002 resulting in response operations in Oklahoma. The Southwestern Division assisted the Federal Emergency Management Agency (FEMA) with emergency power missions under a Presidential Disaster Declaration. The Tulsa District assisted the Oklahoma Department of Transportation with a heavy-lift barge mounted crane to recover vehicles as result of the Interstate Highway 40 bridge collapse. The Galveston District provided the Texas Department of Transportation with survey boats to help identify the underwater location of the bridge span and vehicles as the result of the Queen Isabella bridge collapse in South Texas.

As hurricane season began, the Southwestern Division was once again called to action to assist FEMA with the emergency response to severe flooding in the Austin and San Antonio areas of Central Texas. This flooding was further compounded by rainfall from Tropical Storm Fay. From June to October 2002, Southwestern Division emergency operations missions consisted of technical oversight and debris management missions in Central Texas. The division and its districts also provided numerous emergency support team personnel to assist FEMA in recovery missions following Hurricanes Isidore and Lili, along the Louisiana Gulf Coast, and Chataan in the Pacific Islands. As the calendar year ended, the Southwestern Division once again assisted FEMA with recovery missions following the destructive category 5 Hurricane Pongsona in the Pacific Island area.

REGULATORY PROGRAM

During Fiscal Year 2002, the Southwestern Division completed 5,514 permit actions. This total includes 353 standard individual permits, of which the Galveston District was responsible for a total of 269. The Southwestern Division accomplished approximately 7 percent of the permit actions completed nationally during Fiscal Year 2002. The permits issued authorized approximately 1,110 acres of wetlands impacts, but required over 2,300 acres of wetlands mitigation to offset these impacts.

Fiscal Year 2003 regulatory program initiatives will continue to emphasize streamlining of the permit process for applicants and expediting permit decisions while still providing protection for the aquatic environment. Development of regional general permits, utilization of pre-application coordination meetings, and mitigation banking will continue to be used to accomplish these initiatives. Streamlining of the permit evaluation process for transportation and highway projects, such as the proposed Interstate Highway 69 (I-69) project, continues to be a priority of the Southwestern Division.

SUMMARY

In summary, the total Fiscal Year 2004 Southwestern Division program is \$377.4 million which consists of \$365.8 million in Federal funds and scheduled non-Federal sponsor cash contributions of about \$11.6 million. These funds, together with additional non-Federal sponsor expenditures of about \$15.8 million related to project construction activities, will help in solving some of the problems and meet some of the high priority water resource needs of the Southwestern Division area. Considering the total of cash repayments to the Federal treasury, the offsetting collection of taxes and use of established trust funds, the value of numerous benefits, and the amount of flood damages prevented, the economic multiplying impacts of Southwestern Division projects far exceed the amount of the requested funds for the Southwestern Division of the United States Army, Corps of Engineers.

The “Pacesetter” Southwestern Division continues to demonstrate its ability to respond to our Nation’s domestic and emergency needs in a consistent and timely manner.